

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_

3 BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

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5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO REAL ESTATE APPRAISERS IN  
6 ACCORDANCE WITH A FEDERAL AUDIT; REVISING RECORDKEEPING REQUIREMENTS; CLARIFYING  
7 APPLICATION PROVISIONS; CLARIFYING BACKGROUND CHECK REQUIREMENTS; REMOVING  
8 PROVISIONS THAT ARE NOT FEDERALLY REQUIRED; AMENDING SECTIONS 37-54-416 AND 37-54-503,  
9 MCA; AND REPEALING SECTION 37-54-505, MCA."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 **Section 1.** Section 37-54-416, MCA, is amended to read:

14 **"37-54-416. Retention of records.** (1) A licensed or certified real estate appraiser shall retain for 5  
15 years from the date of submission of an appraisal report to a client:

16 (a) an original or true copy of any written contract engaging the person's services as an appraiser;  
17 (b) an appraisal report prepared or signed by the licensed or certified real estate appraiser; and  
18 (c) all supporting data assembled and formulated by the licensed or certified real estate appraiser  
19 in preparing the appraisal report.

20 (2) If a licensed or certified real estate appraiser is notified within this 5-year period that the  
21 appraisal report is involved in litigation, the appraiser shall retain the appraisal report for 5-2 years from the final  
22 date of disposition of the litigation.

23 (3) The licensed or certified real estate appraiser shall make available to the board at reasonable  
24 times, for inspection and copying, any appraisal report the appraiser is required to maintain under the  
25 provisions of this section."

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27 **Section 2.** Section 37-54-503, MCA, is amended to read:

28 **"37-54-503. Owner requirements.** (1) (a) An appraisal management company applying for

1 registration in this state may not be owned, directly or indirectly, by:

2 (a) (i) a person who has had a license or certificate to act as an appraiser refused, denied, canceled,  
3 revoked for substantive cause, or surrendered in lieu of a pending revocation in any state; or

4 (b) (ii) another entity that is owned by a person who has had a license or certificate to act as an  
5 appraiser refused, denied, canceled, revoked for substantive cause, or surrendered in lieu of a pending  
6 revocation in any state.

7 (b) An appraisal management company is not barred by subsection (1)(a) from applying for  
8 registration in this state if the license or certificate of a person with ownership interest was not revoked for  
9 substantive cause and has been reinstated by a state or states in which the person was licensed or certified.

10 (2) Each person who owns at least 10% of an appraisal management company in this state:

11 (a) must be of good moral character, as determined by the board; and

12 (b) shall submit to a background examination as determined by the board.

13 (3) ~~Each appraisal management company applying for registration in this state shall certify to the~~  
14 ~~board that the appraisal management company has reviewed each person or entity that directly or indirectly~~  
15 ~~owns the appraisal management company, in whole or in part, and that no person or entity that directly or~~  
16 ~~indirectly owns the appraisal management company, in whole or in part, has had a license, a certificate, or~~  
17 ~~registration to act as an appraiser or appraisal management company refused, denied, canceled, revoked, or~~  
18 ~~surrendered in lieu of a pending revocation in any state."~~

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20 NEW SECTION. Section 3. Repealer. The following section of the Montana Code Annotated is

21 repealed:

22 37-54-505. Employee requirements.

23 - END -